

# MANN LAW GROUP

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December 20, 2010

Writer's Direct: 206-855-8839

**VIA FEDEX**

Keith McCall  
CEO & Founder  
Enroute Systems Corporation  
2821 Northup Way – Suite 275  
Bellevue, WA 98004

**Re: Arrival Star S.A. and Melvino Technologies Limited  
Licensing Proposal for U.S. Patent Numbers: 6,904,359; 6,486,801;  
6,714,859; 6,317,060; 6,748,320; 6,952,645; 7,030,781; and 7,400,970  
File Number: BW11172010 – Enroute**

**FOR SETTLEMENT PURPOSES ONLY**  
**PURSUANT TO FRE 408**

Dear Mr. Keith McCall:

We represent inventor Martin Kelly Jones, ArrivalStar S.A. and Melvino Technologies Limited (collectively "ArrivalStar") in the licensing and enforcement of ArrivalStar's United States Patent Numbers 6,904,359 ("the '359 patent"); 6,486,801 ("the '801 patent"); 6,714,859 ("the '859 patent"); 6,317,060 ("the '060 patent"); 6,748,320 ("the '320 patent"); 6,952,645 ("the '645 patent"); 7,030,781 ("the '781 patent"); 7,400,970 ("the '970 patent"); and 25 additional related U.S. patents, five Canadian patents, and any patents that issue in the future from ArrivalStar's several pending U.S. patent applications and their foreign counterparts (collectively "the ArrivalStar Patents"). Please see Schedule A attached. Generally, the ArrivalStar Patents are directed to arrival and status messaging systems and methods for the transportation, transportation logistics, cargo shipment, package delivery, package tracking and related industries. Enclosed are copies of the '359, '801, '859, '060, '320, '645, '781 and '970 patents for your reference.

Enroute Systems Corporation herein after referred to as ("Enroute") includes the shipment tracking and messaging technologies which infringe claims of the '359, '801, '859, '060, '320, '645, '781 and '970 patents, and likely many of the other 25 patents in the ArrivalStar portfolio. I am writing with the hope of amicably resolving this issue and to offer Enroute a license to continue practicing the inventions claimed in the ArrivalStar Patents under highly favorable terms.

ArrivalStar has actively pursued the licensing of its arrival notification technology in the transportation, transportation logistics, cargo shipment, package delivery and package tracking industries since mid-2005. Since that time ArrivalStar has licensed its technology to over 120 companies. Although many of these licenses were granted in settlement of patent infringement actions filed by ArrivalStar, many resulted from amicable business negotiations. Once you and your attorneys are acquainted with the claims of the '359, '801, '859, '060, '320, '645, '781 and '970 patents, we are hopeful that Enroute will work with us to reach an amicable resolution of this matter.

## **BACKGROUND**

Martin Kelly Jones, the founder of ArrivalStar, is the inventor of the methods and systems claimed in the '359, '801, '859, '060, '320, '645, '781 and '970 patents, and other ArrivalStar Patents, which cover a multitude of open architecture arrival and status messaging systems and methods. Generally, Mr. Jones' inventions are directed to systems and methods that enable users to receive important vehicle and/or shipment status and arrival information through the use of common communication devices, including, among others, telephones, wireless communication devices, PDAs and PCs. By keeping users more informed about status and arrival information, Mr. Jones' inventions have significantly reduced the downtime traditionally experienced by millions of people every day waiting on the arrival of transportation, cargo and package delivery vehicles.

Mr. Jones conceived his inventions in 1985 when he observed a young girl waiting at a school bus stop on a rainy, foggy Atlanta morning. From that moment, Mr. Jones undertook to develop an advanced arrival notification system that would, in addition to a myriad of other applications, ensure the safety of school children by minimizing their wait time at bus stops.

From 1986 until 1992, Mr. Jones continued to research and identify the many potential uses for his technology. In 1992, Mr. Jones formed Global Research Systems, Inc. to continue his research and development and, eventually, to commercialize his technology. In 1993, Mr. Jones filed his first patent application. Since then, 34 patents have issued on Mr. Jones' technology, and it has been successfully tested and deployed in several markets. In 2002, ArrivalStar, Inc., the predecessor of ArrivalStar S.A., was formed to continue to develop and commercialize the ArrivalStar technology.

Because the ArrivalStar technology significantly reduces waiting time and dramatically increases efficiency, it has application in the over-the-road, air, rail and oceangoing transportation markets, as well as the cargo, package delivery and package delivery notification markets.

## THE SYSTEMS AND METHODS AT ISSUE

After careful review, ArrivalStar has determined that the “Enroute ShipIt! Analytics, Portal and Platform” provide tracking visibility and reporting which includes tracking and messaging technologies that are protected within United States Patents:

*Enroute's state-of-the-art Shipment Management Solution provides rules-based carrier and service selection, label and manifest creation, and shipment tracking.*

### ShipIt! ANALYTICS

- Shipping carrier data import
- Immediate shipping analysis
- **Transit time and exception report**
- Drill down to analyze data by state, zip code, zone, and more
- Trending & industry comparisons

### ShipIt! PORTAL

*All the features of ShipIt! Analytics plus:*

- Intelligent shipping service selection
- Multi-vendor shipment execution
- Label and manifest generation
- Regional carrier support
- Available zone skipping options

### ShipIt! PLATFORM

*A comprehensive set of web services:*

- Shipment creation
- Label creation (Compatible with standard and Zebra printers)
- Shipment finalization
- **Carrier pick-up notification**
- Search for shipment
- Shop available services (rate & duration)
- Select service
- Track shipments
- Update shipments

Please note that the ‘359, ‘781, ‘320, ‘645, ‘970 and other patents in the ArrivalStar portfolio state that tracking updates *can be utilized on single sensors such ... as a package is scanned*...



Please also note that the '359, '781, '320, '645, '970 and other patents in the ArrivalStar portfolio state that activation of impending arrival messages to users can be set... day/s before the vehicle is to arrive.

This and other areas of Enroute's services infringe claims of the '359, '801, '859, '060, '320, '645, '781 and '970 patents, and likely several others in the ArrivalStar portfolio. Although an exhaustive explanation of all aspects of Enroute's infringement of these patents is beyond the scope of this letter, we generally direct your attention to claim 11 of the '359 patent; claims 1 and 2 of the '781 patent; claims 1 and 11 of the '320 patent; claims 1, 30 and 41 of the '645 patent; and claim 1 of the '970 patent. Here are just five of the many patents and claims that Enroute is currently using:

**"U.S. Patent 6,904,359 -- Claim 21.** A method comprising the steps of:

(a) permitting a user to predefine at a computer system one or more events that will cause creation and communication of a notification relating to the status of a mobile vehicle in relation to a location, wherein the one or more events comprises at least one of the following: distance information specified by the user that is indicative of a distance between the vehicle and the location, location information specified by the user that is indicative of a location or region that the vehicle achieves during travel, time information specified by the user that is indicative of a time for travel of the vehicle to the location, or a number of one or more stops that the vehicle accomplishes prior to arriving at the location;

(b) tracking movement of the vehicle as it moves toward the location; and

(c) communicating a notification from the computer system to a user communication device upon occurrence of the one or more events, the user communication device being a general-purpose communications device that is remote from the location and that is designed to communicate with other communications devices that are undedicated to the computer system."

**"U.S. Patent 7,030,781 – Claim 1 (of 14).** A method, comprising the steps of:

monitoring travel data associated with the vehicle; comparing planned timing of the vehicle along a route to updated vehicle status information; contacting a user communications device before the vehicle reaches a vehicle stop along the route; and informing the user of the vehicle delay with respect to the vehicle stop and of updated impending arrival of the vehicle at the vehicle stop, based upon the updated vehicle status information and the planned timing."

**"U.S. Patent 6,748,320 – Claim 11.** An advance notification system for notifying a user of an impending arrival of a vehicle at a vehicle stop and for permitting a user to solicit a vehicle progress report relating to said vehicle, comprising:

a user communications device associated with said user; a computer system for monitoring travel of said vehicle in relation to said vehicle stop; a system communications device in communication with said computer system, said system communications device for communicating with said user communications device at a time before said vehicle reaches said vehicle stop; and

vehicle progress report generator associated with said computer system for permitting said user to solicit a vehicle progress report relating to said vehicle by providing said vehicle progress report from said computer system to said user communications device during a communication link between said user and said system communications device."

"U.S. Patent 6,952,645 – Claim 30. A method for automatically activating vehicle status reporting within a vehicle tracking system, comprising the steps of:

receiving a vehicle indicator and a location indicator from a user at a remote location; identifying a vehicle based on said vehicle indicator; identifying a proximity based on said location indicator; receiving travel data identifying said vehicle and indicating a location of said vehicle;

monitoring travel of said vehicle based on said travel data; determining, based on said monitoring step, whether said vehicle is within said proximity; and transmitting a message to said user in response to a determination in said determining step that said vehicle is within said proximity."

"U.S. Patent 7,400,970 – Claim 1. A computer based notification system, comprising: means for enabling communication with a user that is designated to receive delivery of a package; means for presenting one or more selectable options to the user, the selectable options including at least an activation option for instigating monitoring of travel data associated with a vehicle that is delivering the package to the user;

means for requesting entry by the user of a package identification number or package delivery number, each pertaining to delivery of the package; means for identifying the vehicle based upon the entry; means for requesting entry by the user of contact information indicating one or more communication media to be used in connection with a notification communication to the user; means for monitoring the travel data; and means for initiating the notification communication pertaining to the package via the one or more communication media, based upon the travel data."

Our analysis further indicates that Enroute's infringement is not merely incidental as Enroute's "ShipIt!" provides customers with shipment delivery predictability based on "customer rules" and shipment tracking. Allowing customers to predefine rules for



shipment status information is protected within many of the United States patents in the ArrivalStar portfolio.

Because of Enroute's existing patented usages, it also indicates within U.S. court Depositions and Discovery, many other Enroute systems will be covered within many of the 33 United States patents in the ArrivalStar portfolio.

These and perhaps other functionalities of Enroute are covered by claims of the '359, '801, '859, '060, '320, '645, '781 and '970 patents. We are confident that Enroute will reach the same conclusion when it has analyzed its systems and products in view of the '359, '801, '859, '060, '320, '645, '781 and '970 patents.

### **ARRIVALSTAR'S LICENSING PROGRAM**

As noted above, ArrivalStar has licensed its arrival notification technology to over 80 companies in the transportation, transportation logistics, cargo shipment, package delivery and related industries, including the following:

A. Duie Pyle, Inc.	i2 Technologies, Inc.
ABF Freight System, Inc.	Infor Global Solutions (Chicago)
Acsis, Inc.	Lynden Inc.
Air Canada	NextBus Inc,
American Express Travel	Nistevo Corporation
APL Logistics Company	NorthWest Airlines
Atlantic Container Line AB	NYK Logistics
BNSF Railway Co	OAG Worldwide, Lmted.
C.R. England, Inc.	Ozburn Hessey Logistics
Canada National Railway Co.	Par3 Communications
Catalyst International, Inc.	Pitt-Ohio Express LLC
City of Albuquerque	Railcar Management, LLC
Clark Transport, Inc.	Railinc Corp.
Cleartrack Information Network	Sabre Holdings
Continental Automotive Systems	SAIA Inc.
Con-Way Transportation Services	Saia Motor Freight Line, Inc.
Cosco Holding Company	Supply Chain Consulting
CSX Corporation	Trade-Point Systems LLC
Dallas/Ft. Worth Int'l Airport Board	Travelocity
Descartes Systems Group, Inc	United Airlines
Evergreen Maritime	Worldspan
Globe Express Services, Ltd.	Yang Ming
Horizon Lines	

Although ArrivalStar certainly prefers to resolve all licensing issues amicably, ArrivalStar has, when necessary, filed patent infringement lawsuits to enforce its patent rights. These cases have included:

ArrivalStar, Inc. v. Maersk Logistics USA, Abf Freight System, Inc., Nyk Logistics, Inc., Con-Way Transportation Services, Inc.  
U.S. District Court for the Southern District of Florida; 1:05cv21046

Arrival Star, Inc. v. Pbb Global Logistics, Inc.  
U.S. District Court for the Northern District of Illinois; 1:05cv4766

Arrival Star, Inc. v. Cosco Container Lines Americas, Inc.  
U.S. District Court for the Eastern District of Virginia; 1:05cv933

ArrivalStar SA et al v. Globe Express Services, Ltd. et al  
U.S. District Court for the Western District of North Carolina; 3:06cv77

ArrivalStar SA et al v. Pilot Air Freight Corp.  
U.S. District Court for the Northern District of Illinois; 1:06cv51

ArrivalStar Ltd. et al v. Tradebeam, Inc. and Cleartrack Information Network, Inc.  
U.S. District Court for the Northern District of Illinois; 1:06cv82

ArrivalStar Ltd. et al v. United Shippers Corporation of NY and Yang Ming (America) Corporation  
U.S. District Court for the District of New Jersey; 2:06cv56

ArrivalStar SA et al v. Tradepoint Systems LLC  
U.S. District Court for the District of New Hampshire; 1:06cv82

ArrivalStar SA et al v. Pitt-Ohio Express, LLC  
U.S. District Court for the Western District of Pennsylvania; 2:06cv413

ArrivalStar SA et al v. Pilot Air Freight Corp.  
U.S. District Court for the Eastern District of Pennsylvania; 2:06cv1382

ArrivalStar SA et al v. A. Duie Pyle, Inc.  
U.S. District Court for the Middle District of Pennsylvania; 1:06cv766

ArrivalStar SA et al v. SSA Global Technologies, Inc.  
U.S. District Court for the Northern District of Illinois; 1:06cv2164

ArrivalStar SA et al v. Atomicbox, Inc.  
U.S. District Court for the Northern District of Ohio; 5:06cv964

ArrivalStar SA et al v. Catalyst International Inc.  
U.S. District Court for the Eastern District of Wisconsin; 2:06cv588

ArrivalStar SA et al v. Railinc Corp.  
U.S. District Court for the Eastern District of North Carolina; 5:06cv222

ArrivalStar SA et al v. New Penn Motor Express, Inc.  
U.S. District Court for the Middle District of Pennsylvania; 1:06cv1214

ArrivalStar SA et al v. Saia Motor Freight Line, Inc.  
U.S. District Court for the Northern District of Georgia; 1:06cv1606

ArrivalStar SA et al v. APL Logistics, Inc.  
U.S. District Court for the Northern District of California; 4:06cv4289

ArrivalStar SA et al v. Acsis, Inc.  
U.S. District Court for the District of New Jersey; 1:06cv3439

ArrivalStar SA et al v. B E Logistics Inc.  
U.S. District Court for the Central District of California; 2:06cv4568

ArrivalStar SA et al v. Lynden, Inc.  
U.S. District Court for the Western District of Washington; 2:06cv1030

ArrivalStar SA et al v. City of Albuquerque  
U.S. District Court for the District of New Mexico; 1:07cv228

ArrivalStar SA et al v. Dallas-Fort Worth International Airport  
U.S. District Court for the Northern District of Texas; 3:07cv464

ArrivalStar SA et al v. ShipMatrix, Inc., United Parcel Services, Inc. and FedEx Corp.  
U.S. District Court for the Western District of Pennsylvania; 2:07cv415

ArrivalStar SA et al v. UAL Corporation  
U.S. District Court for the Northern District of Illinois; 1:07cv2385

ArrivalStar SA et al v. Canadian National Railway Co., BNSF Railway Co., CSX Corporation, Inc., Siemens VDO Automotive, I2 Technologies, Inc. and Transworks, Inc.  
U.S. District Court for the Northern District of Illinois; 1:08cv1086

ArrivalStar SA et al v. Langham Logistics, Inc., Supply Chain Consulting U.S., LLC, Ozburn Hessey Logistics, LLC, Amtrex Trading, LLC and Fortigo, Inc.  
U.S. District Court for the Southern District of Indiana; 1:08cv1689

ArrivalStar SA et al v. Prophecy Transportation Solutions, Inc., NTE, LLC., NNR Global Logistics USA, Inc., Navitag Technologies, Inc., Flash Global Logistics, Inc., and CMA CGM, LLC.  
U.S. District Court for the Northern District of Illinois; 1:09cv2346



## **ARRIVALSTAR'S PROPOSED LICENSE**

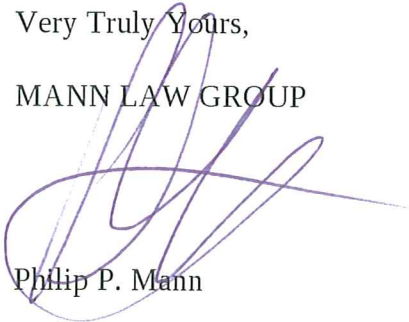
ArrivalStar has had considerable success enforcing its patent rights through both licensing and litigation. Although litigation can result in an enormous recovery after trial, the process generally proves to be costly and time consuming for both parties. Because of these considerations, ArrivalStar proposes that the most reasonable course of action would be for the parties to amicably and promptly resolve all issues through a suitable licensing arrangement.

To that end, and to encourage the continued use of ArrivalStar's patented technology, ArrivalStar proposes an upfront discounted license fee of \$170,000 in exchange for a paid up worldwide license for all of ArrivalStar's 33 United States patents, five Canadian patents and all future patents that claim priority to these patents. This proposed license fee, of course, is subject to early discussions and good faith communication toward a patent license.

Please contact me, or have your attorney contact me, by January 15, 2010. If I do not hear from you by that date, I will assume that Enroute is not interested in an amicable resolution of this matter, after this time this matter will be separated into two different cases as the Canadian lawyers representing the Canadian patents will proceed after its own infringement and they will serving Enroute or Customers within Canada and we will proceed accordingly here in the United States. Thank you for your consideration of our licensing proposal, and I look forward to working with you.

Very Truly Yours,

MANN LAW GROUP



Philip P. Mann

PPM/at

cc: Mr. Martin Kelly Jones